

# Withdrawal Slip

DATE 11/17/08	ACCT # 210-341-1982	AMT. \$ 103.45
one hundred three and $\frac{45}{100}$ DOLLARS		
NAME John Smith <i>John Smith</i>		
ADDRESS 12 main St. Philadelphia PA 18990		

Interest - \$ the bank pays you  
for the amt of \$ you keep w/ them.

Simple Interest - Interest paid on only  
the principal in the account

↙  
Principal - the starting / current  
amount of \$ in account

Annual Interest Rate - the percent you earn in  
interest on your account

⑤ Calculating Interest:

$$\text{Interest} = \text{Principal} \times \text{Rate} \times \text{Time}$$

$$I = P \times R \times T$$

⑥ rate = decimal

$$\text{Ex: } 3\% \rightarrow 0.03$$

⑦ time = fraction of the year

$$3 \text{ months} \rightarrow \frac{3}{12} = \frac{1}{4}$$

①  $P = 700$   
 $R = 0.03$   
 $T = 3 \text{ months}$

$$I = P \times R \times T$$

$$I = (700)(0.03)\left(\frac{3}{12}\right)$$

$$= 5.25$$

②  $P = 2,000$   
 $R = 0.0475$   
 $T = 9 \text{ months}$

$$I = P \times R \times T$$
$$I = (2000)(0.0475)\left(\frac{9}{12}\right)$$
$$I = \$71.25$$

③  $P = 4900$   
 $R = ~~0.0475~~ 0.0225$   
 $T = 6 \text{ months}$

$$I = (4900)\left(\frac{0.0225}{12}\right)\left(\frac{6}{12}\right)$$

$$I = \$55.13$$

Ex 1 - p. 205

$$P = 900$$

$$I = 0.055$$

$$T = 3 \text{ months}$$

$$I = (900)(0.055)\left(\frac{3}{12}\right)$$

$$\text{\$ } 12.38$$

Ex. 2 - p 206

$R = 0.04$  daily

\$1000 - 10 days

\$1600 - 15 days

\$1200 - 6 days

$$I = P \times R \times T$$

$$I = (1000)(0.04)\left(\frac{10}{365}\right) = \$1.10$$

$$I = (1600)(0.04)\left(\frac{15}{365}\right) = 2.63$$

$$I = (1200)(0.04)\left(\frac{6}{365}\right) = \$0.79$$

~~\$4.52~~

+ 1200

\$1204.52

